

Abstract

Block exemptions are very specific institute of competition law but although they have existed in European law for many decades, their application is not well-known in public. Certain activities in an economic competition were generally considered distorting the free competition and thus being undesirable so the EU institutions decided to prohibit them unless otherwise provided. The cartels and state aid generally bring imbalance and unfair conditions in the internal market, but there are certain circumstances which justify their usage and allowance in some cases. The actions, which are allowed due to their specific circumstances and under certain conditions, are provided in the form of so called block exemptions.

Block exemptions are issued in two areas of competition law, agreements between undertakings and state aid. Agreements between undertakings, i.e. cartels, which affect the business in the internal market, are prohibited by Art. 101 (1) TFEU and the block exemptions determine the categories of cartels which can be allowed. On the other side, the state aid is only considered as incompatible with the internal market in Art. 107 (1) TFEU. According to Art. 108 (1, 3) TFEU, the Commission has to be notified by Member States about every state aid which is scheduled to be provided in advance and it examines whether such a state aid is compatible with the internal market. There are certain categories of state aid which are exempted from this obligation to notify.

The objective of this thesis is to provide the description of the block exemptions in both relevant areas. When analyzing them together, we can assess whether they have any common features and they apply in the same or similar manner or whether they are only designated in the same way, but have nothing common.

The paper is divided into five chapters. The opening chapter deals with the general aspects of competition law connected with the block exemptions: functions and aims of competition law, the areas which the block exemptions are issued in and basic terms.

The second chapter provides the legal regulation of the block exemptions and its evolution in the past.

In the third chapter, I focus on the aspects closely related to the block exemptions, as the concept of exemptions, the description of legal, block and *de minimis* exemptions, the process of issuing of the block exemptions and classical structure of the block exemption regulation.

The particular block exemptions regulations are analyzed in the fourth chapter. I critically describe the main purposes and characteristics of the categories of block exemptions there.

The chapter five deals with relation of the block exemptions in both areas, including their overlap and their possible combination in practise.

The most important findings are summarized and my conclusions are presented in the last part of this paper.

The legal regulation of block exemptions, and of economic competition generally, is very problematic area of law. The exemptions try to balance between negative and positive effects of certain actions in the economic competition, to facilitate providing some necessary or required processes and improvements in the internal market and/or to compensate certain unfairness in the economic relations. This procedure is accompanied by many imperfections and uncertainties, but the benefit of block exemptions to the protection of economic competition is indisputable. Also their continuous and subsequent inspection and revision by the Commission and by the Court of Justice of the EU helps to ensure their beneficial effect.